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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003731

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TAGS: [PGOV](#) [PREL](#) [IZ](#)
SUBJECT: TALABANI REITERATES STANCE ON STRATEGIC
PARTNERSHIP, DE-BAATH

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

¶1. (C) Summary: Iraqi President Jalal Talabani told Ambassadors Crocker and Satterfield on November 9 that he would agree to whatever changes the Embassy wanted to Vice President Mahdi's draft of the strategic partnership paper. He said the Presidency would send the leaders' draft of the de-Baathification law to the Council of Representatives if the Council of Ministers did not. He and Deputy PM Barham Saleh were pessimistic that the Deputies meetings or the 3 1 would reconvene soon. He was also pessimistic on the future of hydrocarbons legislation. Barham Saleh reported on the status of budget discussions with the IMF.

Strategic Partnership

¶2. (C) Talabani told the Ambassador the Presidency preferred Vice President Mahdi's "clearer" draft of the strategic partnership paper to the Prime Minister's draft, which Deputy PM Barham Saleh termed "full of fluff." Talabani said he had spoken to National Security Advisor Rubaie on this topic at the behest of the PM, but he complained that Rubaie had done nothing and that all the work the Presidency had been doing on this and other issues was eventually nullified by the "dishdasha government" of Maliki's closest advisors. Told the Embassy had some changes to Mahdi's draft, Talabani said he would accept whatever changes we had and sign the document before he left the next day for a 10 day trip to Saudi Arabia, Egypt, and Kuwait. He told the Ambassador that he would empower VP Mahdi to send forward the revised draft in his absence.

Presidency will send de-Baathification Draft

¶3. (C) Talabani reiterated his commitment to send the de-Baathification leaders' draft to the Council of Representatives (CoR) if the Council of Ministers (CoM) failed to do so at their regular November 13 meeting. Saleh said the emergency session of the CoM called for November 12 would tackle GOI budget issues, not de-Baathification. Talabani expressed concern that the PM be given the opportunity to send the leaders' draft to the CoR via the CoM, but he said the PM told him that not all the ministers agree. Talabani promised to prepare the necessary documents for sending the draft to the CoR in advance of his departure and agreed to authorize Mahdi to submit it as appropriate.

Deputies, 3 1 Meetings Unlikely to be Soon

¶4. (C) The Ambassador called for the reactivation of the so-called Deputies Preparatory Group meetings. He told Talabani and Saleh that he had encouraged Rowsh Shaways, the KDP designee to the Deputies meetings, to return to Baghdad. Saleh said that they lacked the political will to hold

successful meetings, explaining that ISCI/Badr representative Hadi Amiri had said he was not yet ready to come back to the table until the PM began respecting the will of his representatives. Talabani interjected that an appeal to Saudi leaders is the only way to pressure Hashimi and Sunnis like Khalaf Ulayan to negotiate.

15. (C) Talabani, himself still visibly agitated over the issue, said the row over the dismissal of the Tawafuq ministers had soured PM-Hashimi relations and would prevent a successful 3 1 in the near future. The Ambassador urged Talabani to use the Kurds' influence to force the PM to listen. Talabani agreed, saying that they must alter their language from that of support to that of threat to withdraw.

Hydrocarbons Going Nowhere

16. (C) Ambassador said his meetings with KRG PM Nechirvan Barzani and KRG Oil Minister Ashti Hawrami was discouraging. Talabani agreed, saying negotiating with Ashti is impossible. He stated that disagreements remain between PUK and KDP on hydrocarbons, and he feared that Ashti and the KDP were "leading the Kurdish people to catastrophe." He thought the only way to resolve hydrocarbons issues was to get KRG President Masood Barzani and Nechirvan to visit Baghdad.

Saleh on the Budget, Investment

17. (C) Saleh said that the IMF was pressing the GOI to include only a \$5 billion deficit in the 2008 budget, whereas he preferred \$8 billion, saying "This is not the year for being prudent." This would allow \$12 billion of the budget for investment, with a \$4 billion rollover from 2007, for a

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total of \$16 billion in investment for 2008, according to Saleh.
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